

**WHEN INTERNAL GOES EXTERNAL:**

The impact of employee climate on consumer attitudes

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## **About the Author**

Words have been Nina Hoy's favorite toys since she learned to read and write, so it was only natural for her to start her professional career as a writer. Nina has always been interested in the powerful emotions and attitudes words can elicit from the reader. While she started her career in magazine journalism, she quickly came to love the strategy behind copywriting. During her time as a copywriter, she was known for always wanting to do message testing. Whether it's A/B testing email subject lines or gathering qualitative feedback from a blog post, Nina believe there's always something that can be learned to make messaging more effective for an organization and helpful for the recipient.

Nina currently works as a Senior UX Content Strategist at Deluxe Corporation in Shoreview, Minnesota, where she spends her days testing how different content and user interface copy impacts the customer experience. She received her Bachelor of Arts in Journalism and Mass Communication from Drake University and will soon obtain her Master in Strategic Communications from the University of Minnesota - Twin Cities.

## **Executive Summary**

This study set out to explore how consumer attitudes were impacted after being exposed to messages regarding the employee climate within an organization. To determine which kinds of communication and information was most impactful, employee climate messaging was broken into four categories:

- 1) The benefits a company provides its employees;
- 2) The support and treatment of employees;
- 3) Workplace environment; and
- 4) Messages regarding companies who had implemented changes after being called out for some kind of poor employee climate (referred to as reactive messaging)

Messages were tested through an online survey with 168 participants. In addition to the messages themselves, some additional questions regarding the participants' recalled exposure to messages regarding employee climate, what sources would be most trusted to deliver messaging regarding employee climate, and if a company's employee climate impacts their purchasing decisions and word of mouth activities.

Survey findings showed that participants indicated that information and messaging regarding employee climate does impact attitudes toward the organization. The strongest positive attitudes were found when messages showed that a company apparently cared about the health, safety, and overall wellbeing of their employees — and put their employees ahead turning a profit. Survey participants also evaluated messages as if they themselves were the employees of these companies. Additionally, they were not only interested in the information being shared, but

they also wanted to know more details and wanted to ensure that companies followed up with what they said they were going to do.

These findings indicate that companies need to start paying more attention to their employee climate and find ways to proactively tell positive stories to generate favorable attitudes and solid equity in case something negative ever happens.

## **Introduction**

Corporate image is “the total impression that the entity makes on the minds of individuals” (MacIntosh & Doherty, 2007). For a long time, that “total impression” was largely driven by what companies wanted external audiences to see. The products and services provided, advertising efforts produced, publicly reported company performance, and interactions with storefront or customer service employees were the only things consumers could use to form attitudes about corporations and organizations.

But things have been changing in recent decades. Advertising, media coverage, and even the stories told on company websites are no longer just about products, services, and performance. We live in a hyper-connected world where people can access information easier than ever before. Thanks to online publishing, including everything from blogs to company websites to social media, consumers now have access to almost any kind of information they could want to know about a company. Everything from how products are made to what charitable work the company has done can be found — and customers are paying close attention.

According to research from MWWPR in 2017, one third of American consumers care about those inner workings and seek out that information to help make purchasing decisions (Whitler, 2017). This group of informed consumers, known as CorpSumers, has a genuine interest in understanding a company as a whole — its reputation, values, and leadership — just as much (if not more) than its products and services. Research shows that 63 percent of CorpSumers will switch to a new product if that company is doing something they support and 67 percent are willing pay full price for an item if they believe in the company (MWWPR, 2017).

While CorpSumers are a substantial and important segment, additional research shows they're not the only group looking to become more educated consumers. In a 2016 survey, 78 percent of consumers indicated it was important for a company to be transparent and 70 percent said they make a conscious effort to know more about companies they purchase from (TrendWatching, 2017).

An organization's internal culture used to be just that: internal. But with consumers' piqued interest in companies as a whole and a plethora of options for access to that type of information, brands need to be even more cognizant of how it's perceived externally. With increased access to information about a company's internal culture, it becomes an important touchpoint that can impact the way a consumer perceives that corporate image (MacIntosh & Doherty, 2007).

While organizational culture and corporate social responsibility have been covered extensively in multiple studies, there seems to be a gap regarding consumer perceptions of internal culture and employee climate. For my capstone project, I focused on this gap and set out to determine if messages regarding different types of employee culture have an impact on consumers' attitudes toward that company.

## **Literature Review**

### *Defining employee climate*

Setting out on this research, I had a specific subset of internal culture I wanted to focus on: the treatment and support of an organization's employees. Through my review of existing literature, I found that employee treatment and support in an organization is a small portion of

several concepts: organizational culture, organizational climate, corporate social responsibility, and consumer perceived ethicality.

While the concept organizational culture has been studied in depth, starting in the 1950s and picking up steam throughout the 1980s, there has never been general consensus on how organizational culture is defined (Deshpande & Webster, 1989). Most definitions refer to the values and beliefs of the organization (Deshpande & Webster, 1989; MacIntosh & Doherty, 2007) and the social order and norms that guide member behavior within the organization (MacIntosh & Doherty, 2007).

Organizational climate is often used interchangeably with organizational culture, but there are important differences between them (Deshpande & Webster, 1989). Schneider and Rentsch (1987) clearly outline this difference, stating that “climate refers to the ways organizations operationalize the themes that pervade everyday behavior — the routines of organizations and the behaviors that get rewarded, supported, and expected by organizations (the ‘what happens around here’). Culture refers to the history and norms and values that members believe underlie climate (the ‘why do things happen the way they do’).” Organizational climate has also been generally defined as an employee's perception of the conditions within an organization (Kim & Hopkins, 2017).

One area regarding an organization's employees and external perception impact that has been extensively studied is corporate social responsibility (CSR). Kinder et al. (1999) provided six broad domains that encompass corporate social responsibility, as outlined by Sen and Bhattacharya (2001):

- 1) Community support;



- 2) Diversity;
- 3) Employee support;
- 4) Environment;
- 5) Non-U.S. Operations; and
- 6) Product.

Employee support specifically includes concern for safety, job security, profit sharing, union relations, and employee involvement. Sen and Bhattacharya also highlight Brown & Dacin's (1997) definition of CSR, a company's "status and activities with respect to its perceived societal obligations", is largely accepted in the field.

In Brunk's research of CSR and business ethics, consumer attitudes toward corporate actions were categorized into six domains of consumer perceived ethicality (CPE):

- 1) Consumer;
- 2) Employees;
- 3) Environment;
- 4) Local community and economy;
- 5) Business community; and
- 6) Overseas community.

The employee category was further broken down into six subcategories:

- 1) Health safety protection;
- 2) Working hours;
- 3) Benefits and compensation;
- 4) Self-righteous management behavior;

- 5) Discrimination and integration; and
- 6) Care/respect/motivation.

For my research, I'm focusing on where organizational climate, corporate social responsibility, and Brunk's domain's of CPE overlap; an area I'm calling employee climate. Employee climate specifically refers to the conditions, routines, and everyday behavior of employees within an organization that reflect how employees are treated and supported. I've consolidated the subcategories used in Brunk's and Kinder et al.'s various domains into three subcategories of employee climate:

- 1) The benefits a company provides its employees;
- 2) Support and treatment of employees; and
- 3) Workplace environment

#### *Consumer attitudes towards brands*

How consumers feel about brands has been labelled as many things in academic literature: attitude towards, brand perception, organizational/corporate image, etc. There is general agreement that attitude represents a summary evaluation of a psychological object captured in such attribute dimensions as good-bad, harmful-beneficial, pleasant-unpleasant, and likable-dislikable (Ajzen & Fishbein, 2000; Eagly & Chaiken, 1993; Petty et al., 1997). Early theorists used the term "affect" in the same way we now use the term attitude, to denote an overall degree of favorability. Modern research tends to reserve "affect" for general moods (happiness, sadness) and specific emotions (fear, anger envy), states that differ in valence as well as the level of arousal (Ajzen, 2001).

Spears and Singh (2004) combined two existing definitions of attitude toward the brand from Mitchell and Olson (1981) and Eagly and Chaiken (1973) to land on “a relatively enduring, unidimensional summary evaluation of the brand that presumably energizes behavior.” Similarly, Dichter (1985) defined corporate image as “the total impression that the entity makes on the minds of individuals” and further noted that this impression is a powerful influence in how external audiences perceive things. (MacIntosh & Doherty, 2007). Robinson (2006) elaborated on corporate image, saying that both positive and negative impressions hold consequences when it comes to people’s attitudes and behaviors toward an organization, including its products and services (MacIntosh & Doherty, 2007).

#### *The role of pre-existing attitudes*

A message receiver's initial attitude toward the message topic is an important variable in understanding how they are likely to react to the message (Pornpitakpan, 2004). Developed in the 1960s by Muzafer Sherif and Carolyn Sherif, social judgment theory “emphasizes that individuals do not assess a persuasive message based on its objective qualities, but compare the message to their own attitudes” (Perloff, 2014).

These comparisons fall on a continuum. For each message, there is a latitude of acceptance, spanning all acceptable positions on an issue; a latitude of noncommitment, representing neutrality; and a latitude of rejection, the objectionable positions. These latitudes are fluid, expanding and contrasting with respect to the strength of existing attitudes. These existing attitudes are like an anchor, affecting how someone perceives the position of a message. We tend to perceive positions within our acceptance latitude as more similar to our own views than they

really are (assimilation), while assuming discrepant messages are more distant from our own positions than they are (contrast). (Perloff, 2014)

Pre-existing attitudes are expected to play an especially prominent role in reactions to ideological messages because these messages are designed to appeal to a person's core identity (Zuwerink & Cameron, 2003).

### *How messages are processed*

We know from both the elaboration-likelihood model (Petty & Cacioppo, 1986) and the heuristic-systematic model (Chaiken, 1980) that messages can be processed in two different ways: centrally/systematically or peripherally/heuristically. Messages that are processed centrally/systematically more commonly include higher involvement and therefore lead to longer-lasting persuasion, whereas messages that are processed peripherally/heuristically tend to lead to more momentary impact due to their lower involvement (Perloff, 2014).

Initial attitudes may influence how carefully and deeply participants evaluate information. People will process, or elaborate more deeply or superficially based on their interest, motivation, and cognitive ability. That is, if participants have a need for accurate information or feel that they have a stake in understanding an issue or topic, they will exert more mental capacity to understand the message and its source (Metzger, 2007). Higher personal relevance to the content of the message along with repeated exposure can also lead to a greater likelihood of systematic processing (Chaiken & Stangor, 1987).

### *Exploring related findings*

As stated earlier, organizational culture has often been studied in regards to other internal aspects of an organization, including management and performance. While there has been an increase in literature suggesting that what goes on inside the organization can impact what external audiences perceive about that organization, this research has mostly focused on the vision and values aspect of culture (MacIntosh & Doherty, 2007). Similar to organizational culture, organizational climate has often been studied in terms of its impact on various parts of the organization itself so research on external perception implications is an area still waiting to be explored.

One piece of literature that offers interesting insights on the way external audiences perceive brands comes from Kervyn, Fiske & Malone (2011). Their research found that consumers perceive, feel, and behave towards brands, the same way they relate to the people and social groups around them. They also developed the Brands as Intentional Agents Framework, which indicates that brands perceived as able and well-intentioned are expected to elicit admiration — but those brands better follow through, because those who are perceived as well-intentioned and unable are expected to elicit pity.

Guckian et al. (2017) noted that consumers show a greater interest in supporting corporations they perceive as acting ethically, therefore CSR-related initiatives have become a larger part of the corporate agenda and more significant research has been done around CSR and consumer impact. Multiple studies have shown that there is a positive relationship between a company's CSR efforts and consumers' attitudes toward that company and its products (Sen and Bhattacharya, 2001). Huber et al. (2011) found that companies who act in a socially responsible

way reap economic benefits and generate consumer value on a more emotional level. And while positive CSR efforts can have positive impacts on consumers' perceptions, consumers are much more sensitive to negative information regarding an organization's CSR — even if the negativity is from omission instead of commission (Sen and Bhattacharya, 2001).

Brunk's (2010) extensive qualitative research surrounding attitudes toward corporate actions — the closest existing literature to employee climate — found that consumers generate strong feelings upon learning the ways in which employees are treated within an organization. They disapprove poor treatment of staff (including inappropriate earnings, long work hours, and unsafe work environments) and expect employers to care for its employees. CPE was positively impacted with the knowledge of companies offering wages/salaries that are above average and providing child care and pension insurance.

## **Research Questions**

Based on my literature review, I hope to explore the following research questions:

**RQ1:** What is the relationship between external messages regarding employee climate and consumer attitudes toward that brand/company?

**RQ2:** What kinds of information regarding employee climate have the biggest impact on consumer attitudes toward the brand/company?

My goal for this research is to determine if positive messages regarding employee climate impact consumer attitudes (RQ1). If that is the case, this research can also be a guide for what types of messages regarding employee climate should be prioritized for organizations (RQ2).

## Methodology

To distinguish which kinds of messaging had the most impact, eight different messages were created for testing. These messages fall equally between four categories, three of which were taken directly from our working definition of employee climate: 1) the benefits a company provides its employees; 2) support and treatment of employees; and 3) workplace environment. The fourth category included messages regarding companies who had implemented changes after being called out for some kind of poor employee climate. This category was included to measure whether proactive messaging was more impactful than reactive messaging.

The eight messages were based on real examples found in the media and edited to be of consistent length and ease of reading. The real company names were also replaced with a generic name (i.e. Company A) to prevent results from being skewed from any pre-existing bias toward those companies.

Category	Message
Benefits	[Company] announced that it will double its paid parental leave policy from 8 paid weeks to 16 weeks full pay, effective immediately. This new policy will be for all new parents, regardless of gender or location, and the leave can be taken at any point in the first year of a child's birth or adoption.
	[Company] told its employees that it will start to pay for a larger portion of employees' health coverage plans than the year before. Even though overall costs for healthcare have gone up, [Company] says employees will actually see a decrease in their pre-tax premiums and an increase in their take-home pay.
Employee support	Last month, [Company] launched an initiative focused on using the strengths of employees diagnosed with neurological differences such as Autism, ADHD, Dyslexia and OCD. The initiative focuses on learning the needs of employees, creating a community of support, provision of resources, and increasing the ability of managers to use diverse teams effectively.

	<p>[Company] is located in a city known for having one of the highest cost of living indexes in the country. In addition, the population has been growing fast and a housing shortage has caused rent in the area to skyrocket. To help its employees find affordable housing, [Company] is building a community complex with apartments of varying size that will be available for employees. Rent will be anywhere from 10 to 30 percent below market value.</p>
Work environment	<p>[Company] knows that the worst part about taking paid time off work for vacation is coming back to a pile of daunting emails. To mitigate that stress, [Company] introduced a fix: When an employee who is on vacation is emailed, an automatic response is sent back. Then an email management tool deletes the email from the employee's inbox. Since [Company] implemented this change, employees have reported feeling less stressed during days taken off of work.</p>
	<p>To retain top talent and increase morale, [Company] is going "all in" on creating professional development opportunities for its employees. A brand new professional development department has been formed and they will not only focus on building and offering internal programs designed to foster growth, but also act as a resource to find external development opportunities. [Company] also announced that it wants employees to spend 2 hours of their work week learning something new.</p>
Reactive	<p>After being called out for its lack of employee diversity, tech giant [Company] is pledging to double its spending on workforce diversity initiatives this year. The \$150 million will help [Company] recruit students at more institutions (including historically black colleges), offer management workshops on how to lessen unconscious bias in the workplace, and build curriculum that will be given to teachers for free to start tech clubs in middle and high schools.</p>
	<p>After several women published articles about their workplace sexual harassment claims going unnoticed, [Company] announced today that they've partnered with a third party to launch an online portal for women to report sexual harassment. Once a complaint is submitted, it's sent to the relevant internal complaints committee. This way, [Company] says all claims will be seen by the appropriate people.</p>

Survey participants were exposed to the messages in a random order, one message at a time. Attitude was measured using a 7-point response scale from "not at all favorable" to "very favorable." To get a better understanding of why messages elicited favorable or unfavorable



attitude responses, participants were asked an open-ended question: “Why does this message make you feel this way about <Company>?” A content analysis was conducted to determine themes regarding the messages that impacted attitudes the most; if recipients processed messages centrally or peripherally; and if pre-existing attitudes were used as an anchor point to the message.

The survey also included seven additional questions regarding the participants’ recalled exposure to messages regarding employee climate, what sources would be most trusted to deliver messaging regarding employee climate, and if a company’s employee climate impacts their purchasing decisions and word of mouth activities. Four questions collecting demographic information were also included.

A total of 168 survey responses were collected during during a two-week period (June 3-20, 2018). Data was collected online through Qualtrics and participants were recruited through social media outreach, generating a convenient, snowball sample, and skewed female (79.8%), educated (46.8% with a bachelor’s degree; 11.0% with some graduate school; and 31.2% with a graduate degree), and above-average household income (63% at or above \$100,000, with 32.4% at or above \$150,000). Participants were also most likely to be millennials (52.3% are 25-34).

## **Findings**

### *Employee climate has an impact*

While just over 40 percent of survey respondents indicated that they agreed or strongly agreed that they try to know more about the companies they buy from, 85 percent of participants agreed or strongly agreed that knowing more about a company’s employee climate has an affect

on how they feel about that company. The way participants feel after being given information on a company's employee climate can also motivate their behavior. More than 70 percent of respondents said that supporting a company they know treats their employees well is important to them. Several respondents reiterated this by saying they want to support such companies in the open-ended questions of the survey. 50 percent of participants agreed or strongly agreed that if they know a company has poor employee culture, they won't support that company.

But consumers don't simply support (or not support) these companies in silence — the survey results show that people are likely to discuss the employee culture of companies other than their own. When it comes to positive information about employee climate, 70 percent of survey participants say they're likely to share that information with friends and family. The impact of negative information is even more powerful, with more than 80 percent of respondents likely to share information about poor employee culture with their friends and family. Of that 80 percent of respondents, one half strongly agreed to pass that information that they would pass that information along.

#### *Messages created generally positive attitudes*

Seven of the eight messages tested in this survey received average scores above a 4.0 (neutral score). Of the 960 total responses collected across the eight messages used for this survey, slightly more than 10 percent of the responses fell below neutral into the not favorable category, with more than 40 percent of all negative responses coming from the single message that fell below neutral.

All four message categories averaged out on the favorable side of neutral. The categories did fall into an ordered rank, with the benefits category highest with an average score of 6.54, followed by employee support at 5.72, then reactive messaging with a 5.0, and finally work environment at 4.65. That being said, when respondents were asked which categories they wished they knew more about in regards to employee climate, employee support was the top choice, followed by workplace environment and then employee benefits. While category averages were used to develop ranked order of attitude influence, there were some instances of polarity between category messages that are noted in Figure 2.

Figure 1

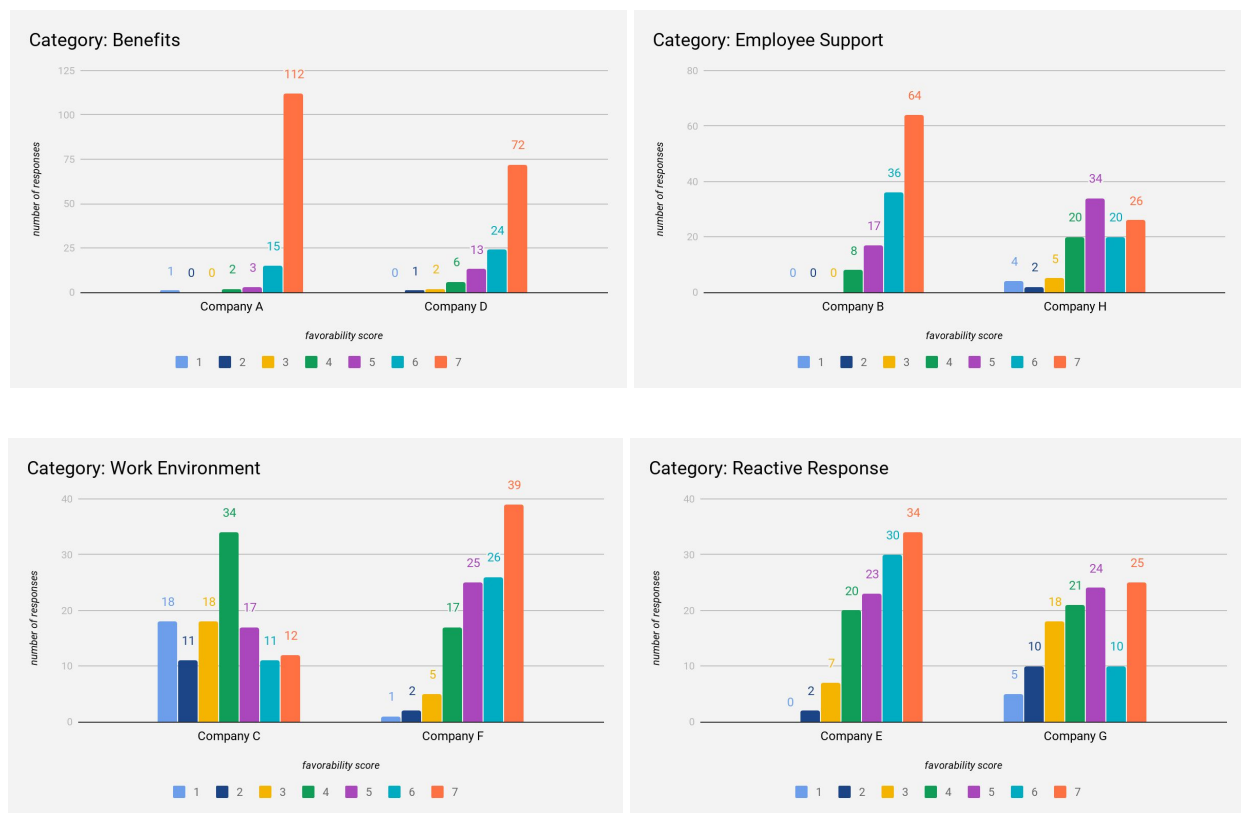


Figure 2

Category	Message	Average favorability score
Benefits  Category average: 6.53	Company A announced that it will double its paid parental leave policy from 8 paid weeks to 16 weeks full pay, effective immediately. This new policy will be for all new parents, regardless of gender or location, and the leave can be taken at any point in the first year of a child's birth or adoption.	6.75
	Company D told its employees that it will start to pay for a larger portion of employees' health coverage plans than the year before. Even though overall costs for healthcare have gone up, Company D says employees will actually see a decrease in their pre-tax premiums and an increase in their take-home pay.	6.31
Employee support  Average: 5.72	Last month, Company B launched an initiative focused on using the strengths of employees diagnosed with neurological differences such as Autism, ADHD, Dyslexia and OCD. The initiative focuses on learning the needs of employees, creating a community of support, provision of resources, and increasing the ability of managers to use diverse teams effectively.	6.25
	Company H is located in a city known for having one of the highest cost of living indexes in the country. In addition, the population has been growing fast and a housing shortage has caused rent in the area to skyrocket. To help its employees find affordable housing, Company H is building a community complex with apartments of varying size that will be available for employees. Rent will be anywhere from 10 to 30 percent below market value.	5.18
Work environment  4.65	Company C knows that the worst part about taking paid time off work for vacation is coming back to a pile of daunting emails. To mitigate that stress, Company C introduced a fix: When an employee who is on vacation is emailed, an automatic response is sent back. Then an email management tool deletes the email from the employee's inbox. Since Company C implemented this change, employees have reported feeling less stressed during days taken off of work.	3.8

	To retain top talent and increase morale, Company F is going “all in” on creating professional development opportunities for its employees. A brand new professional development department has been formed and they will not only focus on building and offering internal programs designed to foster growth, but also act as a resource to find external development opportunities. Company F also announced that it wants employees to spend 2 hours of their work week learning something new.	5.58
Reactive  Average: 5.0	After being called out for its lack of employee diversity, tech giant Company E is pledging to double its spending on workforce diversity initiatives this year. The \$150 million will help Company E recruit students at more institutions (including historically black colleges), offer management workshops on how to lessen unconscious bias in the workplace, and build curriculum that will be given to teachers for free to start tech clubs in middle and high schools.	5.5
	After several women published articles about their workplace sexual harassment claims going unnoticed, Company G announced today that they’ve partnered with a third party to launch an online portal for women to report sexual harassment. Once a complaint is submitted, it’s sent to the relevant internal complaints committee. This way, Company G says all claims will be seen by the appropriate people.	4.5

### *Trusted channels for communication*

Survey participants were also asked which sources they trust most to deliver information regarding a company’s employee climate. Respondents indicated that a named employee is the most trusted. A news publication and anonymous employee were identified as the second and third most trustworthy sources. While a senior-level executive fell to the least trustworthy

source, it was the second least trustworthy source (by one response) that surprised me: company websites.

*Themes from open-ended responses: Why participants feel the way they do*

1. **Top performing messages showed the company cared:** The bulk of the comments in response to the open-ended question for the top performing messages indicated that respondents felt favorably toward companies that show they care about and value employees. Recipients especially liked when a company seemed to put the best interest and well being of their employees ahead of all else — including profits.

*They [Company A] are proving by action that they care about their employees and are committed to their well being.*

*This benefit suggests the company [Company A] supports a positive work/life balance for its employees, that it supports and cares for its staff comprehensively.*

*This just feels like the company cares about their employees and cares about doing the right thing for them.*

Another trend among these top messages: they involved social and ideological issues and values. The messages that received the most comments about showing care were when companies said they were going to pay for more health care costs; invest in finding the strengths of employees diagnosed with neurological differences; and expand paid parental leave and offer it to both men and women.

2. **Survey participants wanted more:** Many participants noted that, while they indicated these messages created a favorable attitude toward these companies, they wanted to see

more: more details, further explanation, etc. When more details weren't available, they made assumptions. Additionally, participants seemed to have more questions and a desire for more information in response to messages where companies were reacting to previous information about negative employee climate.

*It is great that the company [Company G] is taking steps to actively assist with becoming aware of sexual harassment, but I question what happens after the online portal? How do the submitters know anything is being done?*

*Diversity is important and the tech industry is certainly not the only one having problems with a homogenous workforce. However, I'd like to know a little more about their initiatives: 1. How do they define diversity? Is it only racial diversity (if it is, they should say so)? Or are other forms of diversity included (e.g. sex, gender, sexual orientation, ability, etc.)? 2. From what I've seen of previous employers, while there are problems recruiting candidates of color, the biggest issue is actually about retaining employees of color. What will Company E do to ensure that employees of color are supported once they're already in?*

- 3. Recipients were skeptical about reactive messages:** Although the quantitative data indicated that the companies with reactive messages fared favorably overall, they also received some of the highest number of less-than-neutral responses. Additionally, several responses in the open-ended question indicated skepticism in the sincerity of the company's intent to follow through.

*Is the company [Company E] serious or are they just all talk because they got called out? Companies say these things all the time but you rarely hear about the results.*

*I do not feel great about Company G to begin with. I think it is great they implemented a program to address the issue but it feels insincere - more of a CYA than truly caring about its employees and work environment.*

4. **Outcomes and follow through are critical:** When it comes to wanting a company to follow through on the items promised in its messaging, participants weren't just concerned about those companies that had been called out for poor employee climate. Any message where new initiatives or benefits were being announced caused survey participants to wonder whether the company actually followed through on their promises. Message recipients wanted to ensure the companies weren't just offering "lip service" to sound better.

*Sounds impossible....let's see if what the company SAID they were going to do actually IS done. [from Company D message]*

*Is the company [Company E] serious or are they just all talk because they got called out? Companies say these things all the time but you rarely hear about the results.*

*I do not feel great about Company G to begin with. I think it is great they implemented a program to address the issue but it feels insincere - more of a CYA than truly caring about its employees and work environment.*

5. **Message recipients put themselves in the shoes of the company's employees:** Several respondents made their favorability decisions based on how they *personally* would feel about the workplace benefit/initiative. While this was true for nearly all messages, it was abundantly clear in the feedback for the only message in the survey that was rated below neutral (the message about Company C). This message was only one that included information about the company's employees being happy with the change. Despite the fact that the message clearly described employees satisfaction with the company's new policy, which deletes emails while an employee is on vacation, the qualitative responses



of participants largely focused on how deleting their own work emails would make them feel stressed and worried.

*As a minority, I know how important diversity in recruitment is. I wish more companies, including my own, adopted this policy!*

*I like the intent of this action. I docked it a point for the deleting of the emails because personally, I find value in being able to refer to older emails for customer service purposes. [Company C]*

*I personally understand and appreciate the benefit they're [Company A] providing. It would make the company more favorable to me than a competitor that doesn't provide similar benefits.*

*I would love that work environment. [Company F]*

*I struggled on deciding between a 5 and a 6 for this one. This is another one where it's totally about where I'm at in my life right now. 2 or 3 years ago this probably would have been more important to me than the maternity leave scenario and I would have ranked this higher. I think companies going "all in" on professional development is good; I think it's almost always a positive thing, but again just not something that's top of mind for me right now. I definitely have no negative perceptions of this company - all positive. But it doesn't carry the same weight that some of the other scenarios did for me.*

- 6. Recipients attitudes were influenced by pre-existing attitudes:** Since some of the topics covered in these messages are social and ideological issues and values, many recipients used their existing attitudes to help them form opinions. In line with the social judgment theory, it's likely recipients assimilated quickly since the messages fell within their latitude of acceptance.

*Healthcare is something everyone should have and it's ridiculously priced. A huge chunk of your pay goes towards it, and it seemed to be more every year. To get a break like that is huge for employees. [Company D]*

*I am a strong proponent of paid family leave and so I am happy to see that a company is putting it into action. [Company A]*

*I believe that inclusion of people with said disabilities is important for many companies. If this is something that this company [Company B] could offer people with these disabilities, I'm all for it.*

- 7. Messages led to other assumptions about the organization:** Although none of the messages had any information about the company values, quality of products or services offered, or engagement with consumers, some participants took how the company treated their employees as a cue for how they handle other aspects of their business.

*...It also suggests the culture is forward-thinking in terms of their staffing, which indicates they [Company B] may be innovative in other areas of their business.*

*A company that puts that much into providing a good environment for their employees is likely to put that amount of care and detail into their products. [Company B]*

*It makes me feel favorable because they [Company A] care about their employees, which makes me think they care about their customers, too.*

#### *Messages are processed centrally*

Based on the responses gathered in the open-ended questions, it's likely that message recipients engage in central/systematic processing of messages regarding employee climate:

- 1) Survey participants showed higher personal relevance by putting themselves in the shoes of the employees of the organization the message was about;
- 2) Several components of employee climate involve social or ideological issues and values, which message recipients seemed highly invested in; and
- 3) 40 percent of survey respondents indicated that they agreed or strongly agreed that they try to know more about the companies they buy from and 85 percent of participants

agreed or strongly agreed that knowing more about a company's employee climate has an affect on how they feel about that company, so they have more motivation to process and understand these messages.

## **Recommendations**

While limited in its reach, the findings of this survey indicate that messages regarding a company's employee climate have the power to impact the recipient's attitude toward that company — both favorably and unfavorably.

As we progress even further into a radically transparent world where consumers can access more and more information and individual stories from employees can easily be disseminated to the public, companies need to focus their efforts on creating a positive employee climate and finding trustworthy ways to share information about that climate to external audiences.

Similarly to how public relations has functioned for decades, companies and brands need to be proactively telling positive stories about their employee climate. The positive attitudes these efforts can build with external audiences will not only help them build favorability in the short term, but, over time and if done repeatedly, help build up equity for their brand. That equity should, according to social judgment theory, provide consumers with a larger latitude of rejection for negative messages regarding employee climate issues regarding that company should they ever arise.

### *Recommendations from this research*

1. **Remember that participants put themselves in the shoes of the company's employees.** Several open-ended responses indicate that recipients internalize the actions of a company in processing messages regarding employee culture. Survey participants liked or disliked a message specifically based on how they personally feel the message would impact them if they were an employee of that company.
2. **Follow through and follow up.** A common theme from the open-ended responses was skepticism in the organization's intent to follow through with new initiatives or benefits. Companies that make bold commitments (especially those make them publicly) not only need to honor those commitments, but also effectively communicate that they honored those commitments. This will help you build favorability and expose your company's message multiple times, which is likely to engage message recipients in message- and issue-relevant thinking (Chaiken & Stangor, 1987).
3. **Don't just include the outcome, lead with it.** While the majority of the negative feedback focused on wanting to know the impact of the efforts and initiatives being put forth by these companies, the one message that actually *did* address that still received the worst average score — by a long shot. The work environment message about Company C deleting emails while employees were on vacation noted, in the last sentence of the message, that since the change employees had reported feeling less stressed while away from the office. To ensure positive messages about employee culture are not lost, it is integral to lead with positive results.

- 4. Create a place where more details can be found — and make it public.** The findings from our survey found that external audiences are skeptical about messages launching new benefits or initiatives. While the messages still made the recipient view the company more favorably, they wanted more. In addition to wanting to know if a company truly followed through with what they said they'd do (see #2), they also wanted to better understand the details. Show you're truly dedicated to your employees by providing all the details of new benefits and initiatives in a single place — perhaps a new section on your website — and then include it in your messaging to show external audiences your transparent and have nothing to hide.
- 5. Never make assumptions. Test your messaging.** The message about Company C deleting emails while employees were out of office shows that even though employees are happy — and you even say they're happy — there's no guarantee an external audience will have a positive attitude about the message or your company. Test your messages to ensure consumers will think positively, not negatively, about your employee climate.
- 6. Find ways to show you care.** The survey findings indicate that the strongest attitudes of favorability came from messages that made the recipient feel like the company truly cared about the safety, health, happiness, and overall wellbeing of their employees. The messages where this really rang true were those regarding social and ideological values and issues.
- 7. Make sure you're using the right channels.** Telling your own stories through an internal portal or even a company website isn't quite enough anymore (especially after

the survey identified a company website as one of the less trustworthy sources to deliver employee climate information). This survey indicated that the most trusted sources to deliver information regarding employee climate are employees (named or anonymous). It is more important than ever before for organizations to cultivate a positive climate that employees want to share with friends, family, and other external outlets. Communications functions should also partner with human resources (or whatever department is responsible for employee climate) to stay up to date on the latest efforts and outcomes. Hopefully this will equip communicators with the information they need to develop strategies to attract media coverage.

*Why are these recommendations important?*

Not only has this research shown that external audiences do indeed care about this information, but it impacts their attitude. Additionally, based on the responses gathered in the open-ended questions, it's likely message recipients of this kind of information engage in central/systematic processing of messages regarding employee climate.

As we know from the elaboration-likelihood model, messages that are processed centrally/systematically more commonly include higher involvement and therefore lead to longer-lasting persuasion (Perloff, 2014). This means the attitudes influenced by these messages are stronger and likely to last — so companies need to do everything they can to be on the positive and favorable side of these messages.

## **Limitations and Considerations for Further Research**

As noted in my literature review, research on consumer attitudes and employee climate is very limited. While this research had its limitations, the results it yielded, rising consumer (and CorpSumer) interest in employee climate, and increased media coverage on the topic indicate that further research is important and critical.

Due to limited time and budget constraints, survey respondents were recruited via social media channels. Social media recruitment was limited to the organic reach of the researcher's network. The results that came from the convenient and snowball sample that served as participants in this survey should not be assumed to represent the general public.

In addition, all qualitative data regarding why research participants felt the way they did regarding company messaging was collected through open-ended questions as part of the online survey. While the data collected provided interesting themes and actionable takeaways, there is an opportunity for further research to fully dive into why consumers hold the attitudes they do once reading or receiving information regarding a company's employee climate. A better understanding may help develop additional recommendations for communicators.

Since this data was collected through an online survey, all of the responses are self-reported. This means the findings are based off of what people *say*, not what they *do*. Further qualitative and environmental research would be beneficial on this topic.

For the purposes of this research, the messages used for testing replaced the real company name with a generic company name (e.g. Company A) to remove any existing bias and gain insights specifically related to the messages themselves. Unless you're dealing with new

businesses, this scenario is unlikely. In relation to social judgment theory, future research should include an in-depth study looking at types of messaging that either changes or strengthens existing attitudes towards real companies.

There's also an opportunity to explore what types of behaviors are spurred by these attitudes. Do positive messages regarding employee climate create lasting attitudes that lead to purchase or support of an organization? Based on this research's findings that social and ideological-related messaging spurred the strongest positive attitudes, studying employee climate messaging as it relates to Fishbein & Ajzen's Theory of Reasoned Action could be interesting.



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## **Appendix**

### *Consent Form*

You are invited to be in a research study about internal culture messaging. Please read this form and contact the researcher with any questions you may have before beginning this study.

*This study is being conducted by:*

Kristina Hoy, Strategic Communication Master's Candidate, School of Journalism and Mass Communication, University of Minnesota, [ninahoy@umn.edu](mailto:ninahoy@umn.edu)

You can also contact the academic advisor, Dr. Stacey Kanihan at [skanihan@umn.edu](mailto:skanihan@umn.edu)

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher(s), you are encouraged to contact the Research Subjects' Advocate Line, D528 Mayo, 420 Delaware St. Southeast, Minneapolis, Minnesota 55455; (612) 625-1650.

*Procedure:*

If you agree to participate in this study, you will be asked to complete a survey questionnaire about internal culture messaging. You will also be asked to provide some demographic information. The survey will take about 20 minutes to complete.

*Risks and benefits of being in this study:*

There is no particular risk associated with this study.

*Confidentiality:*

The information you provide in this survey will be kept private. Only the researcher will have access to the records. Data included in the final report will not include any information that would make it possible to identify a study subject.

*Voluntary nature of the study:*

Participation in this study is voluntary. Your decision not to participate will not impact your standing with the University of Minnesota. If you decide to participate, you are free to not answer any question or to withdraw from the study at any time.

## *Survey Guide*

Please review the following message:

Company A announced that it will double its paid parental leave policy from 8 paid weeks to 16 weeks full pay, effective immediately. This new policy will be for all new parents, regardless of gender or location, and the leave can be taken at any point in the first year of a child's birth or adoption.

After reading this message, how do you feel about Company A?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company A?

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Please review the following message:

Company B is located in a city known for having one of the highest cost of living in the country. In addition, the population has been growing fast and a housing shortage has caused rent in the area to skyrocket. To help its employees find affordable housing, Company B is building a community complex with apartments of varying size that will be available for employees. Rent will be anywhere from 10 to 30 percent below market value.

After reading this message, how do you feel about Company B?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company B?

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Please review the following message:

Company C knows that the worst part about taking paid time off work for vacation is coming back to a pile of daunting emails. To mitigate that stress, Company C introduced a fix: When an

employee who is on vacation is emailed, an automatic response is sent back. Then an email management tool deletes the email from the employee's inbox. Since Company C implemented this change, employees have reported feeling less stressed during days taken off of work.

After reading this message, how do you feel about Company C?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company C?

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Please review the following message:

Company D told its employees that it will start to pay for a larger portion of employees' health coverage plans than the year before. Even though overall costs for healthcare have gone up, Company D says employees will actually see a decrease in their pre-tax premiums and an increase in their take-home pay.

After reading this message, how do you feel about Company D?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company D?

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Please review the following message:

After being called out for its lack of employee diversity, tech giant Company E is pledging to double its spending on workforce diversity initiatives this year. The \$150 million will help Company E recruit students at more institutions (including historically black colleges), offer management workshops on how to lessen unconscious bias in the workplace, and build curriculum that will be given to teachers for free to start tech clubs in middle and high schools.

After reading this message, how do you feel about Company E?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company E?

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Please review the following message:

To retain top talent and increase morale, Company F is going “all in” on creating professional development opportunities for its employees. A brand new professional development department has been formed and they will not only focus on building and offering internal programs designed to foster growth, but also act as a resource to find external development opportunities. Company F also announced that it wants employees to spend 2 hours of their work week learning something new.

After reading this message, how do you feel about Company F?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company F?

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Please review the following message:

After several women published articles about their workplace sexual harassment claims going unnoticed, Company G announced today that they’ve partnered with a third party to launch an online portal for women to report sexual harassment. Once a complaint is submitted, it’s sent to the relevant internal complaints committee. This way, Company G says all claims will be seen by the appropriate people.

After reading this message, how do you feel about Company G?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company G?

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Please review the following message:

Last month, Company H launched an initiative focused on using the strengths of employees diagnosed with neurological differences such as Autism, ADHD, Dyslexia and OCD. The initiative focuses on the learning the needs of employees, creating a community of support, provision of resources, and increasing the ability of managers to use diverse teams effectively.

After reading this message, how do you feel about Company H?

1 = not at all favorable

7 = very favorable

Why does this message make you feel this way about Company H?

---

Not including the company you work for, do you recall seeing or hearing messages about a company's internal culture in the last six months? Internal culture can include any messages about a company's benefits, treatment or support of their employees, and workplace environment or culture.

Yes or No

If yes:

Where did you see or hear the message? (open field)

Did that message make you feel differently about that company?

Yes or No

If yes:

Why did that message make you feel differently about that company?  
(open field)

Which of the following would you find the most trustworthy to deliver information about a company's internal culture?

- a. Named employee
- b. Anonymous employee
- c. Chief Executive Officer (CEO)
- d. News publication
- e. Company website
- f. Senior-level executive

What kinds of information about internal culture do you wish you knew about companies?  
(select all that apply)

How they support their employees

What the workplace environment is

What kind of benefits the company offers its employees

Other (open field)

Please choose the response on the scale that indicates how you feel about each statement below about internal culture. Internal culture can include any messages about a company's benefits, treatment or support of their employees, and workplace environment or culture.

1 - strongly disagree    7 - strongly agree

I try to know more about companies that I buy from.

Knowing how a company treats its employees affects how I feel about that company.

If I know a company has a good internal culture, I'll share that information with my friends and family.

If I know a company has a poor internal culture, I'll share that information with my friends and family.

Supporting a company that I know treats its employees well is important to me.

If I've heard a company has a poor internal culture, I won't support that company.

---

Age

18-24

25-34



35-49  
50-64  
65 or older

Please select

Male

Female

Prefer to self-identify:

Highest level of education completed

Some high school or less

High school graduate or equivalent

Some college

Bachelor's degree

Some graduate school

Graduate degree

Total annual household income

Less than \$25,000

\$25,000-\$49,999

\$50,000-\$74,999

\$75,000-\$99,999

\$100,000-\$124,999

\$125,000-\$149,000

\$150,000 or more